GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Mines & Minerals - Amendments to the Rules 10, 28, 34 and Part VII of Form-M of Andhra Pradesh Minor Mineral Concession Rules, 1966- Notification – Issued.

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INDUSTRIES & COMMERCE (MINES-III) DEPARTMENT

G.O.MS.No. 6 Dated: 20-01-2025

Read the following:

1. G.O. Ms. No. 94, (PW-COD) Dept, dated 01.07.2003.
2. G.O. Ms. No. 63, Ind & Com (M.III) Department, dated 02.08.2021.
3. G.O. Ms. No. 71,Ind & Com (M.III) Department, dated 22.10.2021.
4. G.O. Ms. No. 45, Ind & Com (M.III) Department, dated 03.07.2023.
5. From TR&B (R.II) Dept., Lr. No.2622353/R.II/2024, dated 07.01.2025.
6. From the Commissioner & Director, Mines& Geology, A.P., E-Office file no. INC01-MG0DMGE/20/2025-M-III, dt: 17.01.2025.

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**ORDER**

In the G.Os 2nd, 3rd and 4th read above, the Government have introduced the outsourcing of collection of Seigniorage Fee and Consideration Amount for minor minerals to the private agencies identified through e-auction. For National Highway Projects, contractors currently identify the source of minerals, obtain temporary permits, and pay the statutory levies directly to the Mines & Geology Department or the Seigniorage Fee Collection Contractor in advance. In contrast, State Government Departments, Engineering Departments, and Corporations follow a different process. As per G.O 1st read above, they deduct the Seigniorage Fee for the minor mineral quantities used in the Works from the contractor's bills and remit to the Mines & Geology Department afterwards.

2. In this regard, the Commissioner & Director, Mines & Geology, A.P., in the single file 6th read above, has submitted the proposals regarding National Highway Works related to adoption of similar process as done for State Government Department works, use of minor minerals extracted within the project for laying of roads, usage of De-silted material for National Highway works in the State, based on the request of TR&B Dept., vide reference 5th read above.

3. Government, after careful examination of the circumstances reported by the Commissioner& Director, Mines& Geology, A.P., vide e-file 6th read above, have decided to make amendment to Rules 10, 28, 34 and Part VII of Form-M of Andhra Pradesh Minor Mineral Concession Rules, 1966

4. Accordingly, the following Notification will be published in an Extra Ordinary issue of the Andhra Pradesh Gazette, Dt: 20.01.2025.

**NOTIFICATION**

In exercise of the powers conferred by sub section (1) of section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957), as amended from time to time, the Governor of Andhra Pradesh hereby makes the following amendment to the Andhra Pradesh Minor Mineral Concession Rules, 1966 issued in G.O.Ms.No.1172, Industries & Commerce (B.I) Department, 4th September, 1967 as subsequently amended:

**AMENDMENTS**

1. In the said rules;

I. For rule 10 (3) the following shall be substituted namely:-

(3) When the quarry lease is granted;

a) the dead rent for the 1st year shall be paid by the lessee at the time of execution of lease deed and for the subsequent years, every year in advance.

b) The seigniorage fee and other applicable taxes/ levies shall be paid before the mineral is dispatched from the leased area.

Provided that for the minor minerals dispatched to State Government Works/ National Highway Works, the seigniorage fee and other applicable taxes/ levies shall be paid by the concerned State Government Department/ NHAI directly to the Department of Mines & Geology duly deducting from the contractor's bills, instead of paying in advance. This procedure also applies to the de-silted sand/earth/silt from the beds of tanks under the control of Irrigation/PWD/Revenue Department, which is left over after utilizing it for maintenance works of the tanks/ponds.

II. In rule 10, after sub-rule (7), the following sub rule shall be added;

(8) Notwithstanding anything contained in these rules, Seigniorage Fee, Consideration Amount, DMF and MERIT shall not be applicable on the minor minerals (Ordinary Earth/ Road Metal/ Gravel) obtained within the cutting sections of NHAI project, provided that the materials are used in the same project by the Contractor.

III. In rule 10 (G) (2), after sub-clause (vi) the following sub-clause shall be added;

(vii) Collect Seigniorage Fee, Consideration Amount, DMF, MERIT for the dispatches to State Government Works/ National Highway Works with exemption of advance payment and free dispatch permits issued by DMGO/ Div. MGO concerned.

IV. In rule 28, after sub rule (5) the following sub rules shall be added;

(6). NHAI/ State Government Departments shall submit the monthly reports to DMGO/ Div. MGO concerned for free dispatch permits obtained under proviso of Rule 10 (3) and Rule 24 detailing:

a. Source and quantity of minor minerals consumed in their works.

b. Work wise monthly and cumulative accounts of revenues receivable to the Department of Mines & Geology and revenues remitted to Department of Mines & Geology along with corresponding quantities.

(7). NHAI shall submit the monthly reports for free dispatch permits obtained under Rule 34 (7) detailing source and quantity of minor minerals derived from the cutting sections and used within the project for accountability purposes.

V. In rule 34, after sub rule (3), the following sub rules shall be added;

(4) State Government departments/ NHAI concessionaries shall apply for permitting Form K-II and obtain prior free dispatch permit from concerned DMGO/ Div. MGO in Form L-II for dispatch of minor minerals under proviso for Rule 10 (3).

(5) NHAI / State Government Departments shall ensure all the minor mineral carrying vehicles carry free dispatch permits issued by DMGO concerned, constantly monitor and prevent illegal mining and transportation under the guise of the relaxations granted in these rules for faster execution of the works and ensure an accurate account of minor minerals consumed is maintained.

(6). NHAI concessionaries shall obtain prior free dispatch permit for dispatch of minor minerals under Rule 10 (8), as prescribed by C&DM&G, A.P.

VI. For the existing Part VII (i) of Form-M, the revised Part VII (i) of Form-M is appended to this G.O. as Annexure-I.

VII. Form-K-II, Form-L-II and SOP for allotment of quarries under Rule (11) (1) (i) of APMMC Rules, 1966 are appended to this G.O. as Annexures-II, III & IV.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MUKESH KUMAR MEENA
PRINCIPAL SECRETARY TO GOVERNMENT (MINES) (FAC)

To

The Commissioner of Printing, Stationary & Stores purchases (Printing wing) Andhra Pradesh, Vijayawada.(With a request to publish the above notification and arrange to send 200 copies of the same to the Government in Ind & Com (M-III) Department and 100 copies to the Commissioner and Director of Mines & Geology, A.P., Ibrahimpatnam, Vijayawada).

The Commissioner and Director of Mines & Geology(C&DM&G), A.P., Ibrahimpatnam, Vijayawada.

The Chief Executive Officer, MERIC, Vijayawada.

All the District Collectors in the State

All the Joint Director/Deputy Director/Asst. Director of Mines and Geology through the C&DM&G, A.P.

Copy to:

The Secy to Government, Ministry of Mines, Govt of India, Shastry Bhawan, New Delhi.

The Law Department.

The Finance Department.

The OSD to Minister for Mines & Geology.

The PS to Prl Secretary to Govt (Mines).

SF/SC (Comp:2676541).

//FORWARDED:: BY ORDER//

SECTION OFFICER

**Appended to G.O.Ms. No.6 , Ind & Com (M-III) Dept., dt: 20.01.2025**

**ANNEXURE.I**

**For Part VII (i) of Form – M**, the following shall be substituted namely:-

i. The Deputy Director of Mines & Geology concerned shall book adjust the following revenues to the contractor on monthly basis:

   a. **Seigniorage Fee** corresponding to the quantities of minor minerals consumed in the works undertaken by all the State Govt. Depts/ Corporations/ Local bodies to the contractor on monthly basis during the contract period.

   b. Revenue (excluding interest, penalties) received from MDLs under cutter slab system as per G.O. Ms. No. 58, dated 23.08.2022.

   c. **Seigniorage Fee, Consideration Amount, DMF & MERIT, payable under proviso of Rule 10 (3), corresponding to the quantities of minor minerals consumed in the works undertaken by all the NHAI works from the authorized quarry leases, without making advance payment to SCC Contractor.**

**Annexure-II**

**FORM K-II of APMMC Rules, 1966**

**Application for issue of permit for dispatch of Minor Minerals to NHAI Works/ State Govt works, without payment of Seigniorage Fee & other levies in advance**

**(See Rule 10(5) and Rule 34(3))**

1. Name of the Department
2. Name of the Work
3. Work ID
4. Address
5. Location of the Work
   Survey No.
   Mandal
   District
6. Name of the Minor Mineral utilized in the work:
7. Quantity of the Minor Mineral proposed to be obtained:

| Lease ID | Sy.No | Mandal | Village | Mineral | Unit | Quantity |
|---|---|---|---|---|---|---|

8. Route and Mode of transportation
9. Sale value
10. Date with in which the applicant desires to dispatch the quantity
11. Other particulars which the applicant wishes

I/We hereby certify that the particulars given above are correct and to the best of my/our knowledge and belief.

Place: Signature of the applicant/ Authorized Agent Date:

**Annexure - III**

**FORM – L-II of APMMC Rules, 1966**

**Permit for dispatch of Minor Mineral to NH/ State Govt. Works without payment of Seigniorage Fee & other levies in advance.**

**Under Rule 34(3)**

**Permit No**. …….. **Dated:** ……..

Permit is hereby granted to dispatch …… Cubic meters of …… from any authorized quarry lease/permit granted under the provisions of the Andhra Pradesh Minor Mineral Concessions Rules 1966 in consideration of assurance of payment of sum of Rs. ……. being the seigniorage fee & other applicable levies on the said quantity by the concerned State Government Department/ NHAI directly to the Department of Mines & Geology duly deducting from the contractor's bills, subject to the following conditions:

1. The permit is valid for …… from …….. and shall expire on ……..
2. The permit is not transferable.
3. The permit shall be surrendered after the quantity noted there in is dispatched to the Department within a week after the last consignment of dispatch along with the dispatch particulars by giving the details of the name of the leaseholders from whom the material is procured.
4. Holder of the permit shall allow the executive staff and the officers of the Department of Mines and Geology to inspect, check and measure the minor minerals in all stages of movement.
5. The Department has the right to claim amounts by way of difference of seigniorage fee based on the scrutiny of the sale documents and the check

measurements, provided the excess quantity is not beyond 10% of the quantity mentioned in the documents. The excess quantity beyond 10% is liable for penalization under Rule 34 (2).

6. Failure to comply with any of the above conditions shall entitle withdrawal of the permit and cancellation of the same.

Encl : Transit forms from Issuing Authority

Sl. No. …… to …… to procure

the raw material under this permit

## ANNEXURE - IV: SOP FOR ALLOTMENT OF QUARRIES UNDER RULE 11 (1) (i) OF APMMC RULES, 1966

1. As per Rule 11(1)(i) of the APMMC Rules, 1966, the Government has the authority to grant quarry leases for minor minerals on a nomination basis for National/State Government Projects or projects undertaken by PSUs or their nominated agencies.
2. Concessionaires or contractors of State Government Works/ National Highway Works shall quantify the required construction material (Earth/Sand/Road Metal/Gravel) for specific projects based on the approved plan and profile/drawings and submit the same to the IEs/AEs for review. The reviewed proposal, along with identified mineral-bearing areas, shall be forwarded to the PDs/EEs concerned.
3. PDs/EEs concerned shall submit a proposal for the allotment of quarries of construction materials, along with the requirement details, to the concerned DMGO/ Div. MGO.
4. The recommendations of the PD shall clearly mention the name of the concessionaire or contractor for whom the quarry is to be allotted and specify the required lease period.
5. The concerned DMGO/ Div. MGO shall forward the proposal to the tahsildar for issuing an NOC and subsequently submit a proposal to the Government through the Director of Mines & Geology to obtain permission to allocate leases on a nomination basis under Rule 11(1)(i). This process shall be completed within seven days.
6. The Government, after verifying the details, may grant permission to allot the lease, along with any specific terms and conditions it deems necessary.
7. Upon receiving permission from the Government and the NOC from the concerned tahsildar, the DMGO/ Div. MGO concerned shall conduct a DGPS survey and submit the proposal to the DDM&G concerned for grant of lease within seven days.
8. After scrutiny of the application, DDM&G concerned shall request concessioner / contractor of State Govt. works/ National Highway works for payment of premium amount.
9. The concessionaire or contractor shall pay the applicable premium amount as per APMMC Rules within seven days from the date of receipt of the letter.
10. Upon receipt of the premium amount, the concerned DDM&G shall issue a Letter of Intent (LOI) for submission of the Approved Mining Plan (AMP), Environmental Clearance (EC), and Consent to Establishment (CTE) for lease grant within seven days.
11. The concessionaire or contractor shall submit the AMP, EC, and CTE to the concerned DDM&G.
12. The concerned DDM&G shall grant the lease within seven days of receiving the AMP, EC, and CTE.
13. The concerned DDM&G shall follow the prescribed due process while granting leases.
14. State Government Departments/ NHAI shall ensure that the minerals extracted from the allotted quarries are used exclusively for the specific works mentioned in the lease and not sold in the open market or used for any other purpose.

15. State Government Departments/ NHAI shall surrender the quarry upon exhaustion of the required quantity for National Highway works or the expiry of the allocated period, whichever is earlier.
16. Concessionaires or contractors shall maintain records of the quantities excavated and used in the works and submit monthly returns to the concerned DMGO.
17. Concessionaires shall adhere to all prescribed procedures for obtaining permits as per the guidelines issued by the Department of Mines & Geology from time to time.

MUKESH KUMAR MEENA
PRINCIPAL SECRETARY TO GOVERNMENT (MINES) (FAC)